



# This Week in Lansing

MHSA • Muchmore Harrington Smalley & Associates, LLC

Highlights of the Latest Major Legislative, Administrative and Regulatory Activity in the State Capitol

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**REVENUE ESTIMATING CONFERENCE: REVENUE DOWN FROM JANUARY** – On Wednesday of this week, officials told state legislators that the final revenues for the current fiscal year *General Fund* would be less than the January forecast, while final revenues for the *School Aid Fund* would be more, something those officials did not express concern over. According to the panel of officials at the *May Revenue Estimating Conference*, *General Fund* final revenues are estimated at \$10.111 billion (\$178.8 million less than January’s conference) and those for the *School Aid Fund* are estimated at \$12.783 billion (\$152.9 million more than January’s conference), for the current *Fiscal Year*.

The panel included *Treasurer Nick Khouri*, *Senate Fiscal Agency Director Ellen Jeffries*, *House Fiscal Agency Director Mary Ann Cleary* and *State Budget Director Al Pscholka*. Despite the continued growth in the state’s economy, the panelists also told legislators that Michigan will see an estimated 207,000 fewer jobs in *Fiscal Year 2018-2019* than it saw in 2000. *Mr. Pscholka* noted that the estimated figures should serve as “a roadmap” to legislators as they continue to complete the budget, hoping to have a finished product by June. The panel also noted that the overall estimated final revenues for the current fiscal year would total \$22.721 billion, a decrease of \$25.9 million from the January conference. As for the 2017-2018 *Fiscal Year* (the budget currently being worked on), total final estimates were stated to be at \$23.379 billion; *General Fund* at \$10.489 billion; and *School Aid Fund* at \$13.330 billion.

The next *Fiscal Year* (2018) will begin on October 1 of this year, and according to the aforementioned estimates, the state will see an increase of \$47.4 million in state revenue for this year and the coming year. Final meetings between *Governor Rick Snyder*, legislators and state budget officials were expected to start this week with the hopes that the June deadline for a finalized budget could be reached.

**SENATE COMMITTEE HEARS MORE TESTIMONY ON OPIOID BILLS** – Members of the *Senate Health Policy Committee* heard testimony this week from another side of the issue, as representatives of physicians and pharmacists told members studies show most opioids are being obtained through friends, not prescribers, roughly 55 percent of the time. The bills currently being discussed in the *Committee* include *Senate Bills 270, 272, 273 and 274*, all of which are a part of a large bipartisan, bicameral package of legislation intended to address the heavily discussed issue of opioid addiction within the state.

Responding to the spokespersons, *Committee Chair Senator Mike Shirkey* (R-Clarklake) agreed, noting that all areas of the abuse would be covered, including: supply, education and responsibilities, and treatment and police activity in addition to the issues discussed in the aforementioned bills. The *Senate*

**Bills** call for the requirement of prescribers to have a relationship with their patient before prescribing opioids, to provide information to said patient about opioid use, and to also prescribe an opioid antagonists if necessary.

One aspect that the bills do not address, but should, according to **Colin Ford** with the **Michigan State Medical Society**, is why patients get addicted to the opioids. **Dr. Tina Tanner**, with the **Michigan Academy of Family Physicians** agreed, adding that the state also needs to increase the amount of drop-off bins for old and unused prescriptions in the state as well as the implementation of full “interoperability” for electronic patient records. No action was taken on the bills, however, **Mr. Shirkey** noted they might see a vote next week.

**MPSERS UPDATE: CAN STATE CONTINUE TO FUND PENSIONS?** – **Representative Tom Albert** (R-Lowell) explained to fellow **House Republican Caucus** members that the state needs to close the current hybrid pension system currently offered to teachers as the state has “repeatedly proven” it cannot manage or run a pension system properly. In his presentation, **Mr. Albert** told members “Any arguments about how the plan is working are based on a false narrative.”, a sentiment that **House Speaker Tom Leonard** (R-DeWitt) has expressed adamantly as well.

The current system, known as the **Michigan Public School Employees Retirement System (MPERS)**, currently offers new teachers the choice of a 401(k) or a pension, or a hybrid, something **Mr. Leonard** has argued is “inherently unpredictable”, causing the state to “bear the risk of investment.” Following the **Revenue Estimating Conference** estimation confirmations (see above article), however, members of the **Caucus** continued to show hesitation in the closure of the system with regard to its costs to the state. If the legislature were to end the current hybrid system to newly hired teachers, it would cost the state as much as \$680 million in **Fiscal Year 2018** and \$1.1 billion in **Fiscal Years 2019** and **2020**.

However, legislators have been offered multiple options so as not to take on all of that cost in those amounts, but instead to spend \$400 million over 40 years or roughly \$600 million over 20 years; using monies from the **School Aid Fund** (which **Republicans** are hesitant to do); or to use the \$600 million currently set aside in the **General Fund** for roads for future years (accompanied by a slight increase in the gas tax). **Mr. Albert** addressed all of these options in his presentation as well, noting that the necessary 55 votes (in the **House**, 20 in the **Senate**) must be compiled in the next three weeks in order for action to be taken.

Addressing the urgency of the issue, **Mr. Albert** stated, “We must close the system and pay down our debt over a reasonable time period. Doing both will be in the best interest of the State, our schools, teachers and students.”

**COMMITTEES ADDRESS ALCOHOL SALE ISSUES** – **Regulatory Reform Committees** on both the **House** and **Senate** sides discussed multiple issues regarding the sale of alcohol this week, with members reporting three pieces of legislation to their respective floors for a vote. On the **House** side, **Committee** members took up **House Bills 4556** and **4557**, with the legislation calling for stronger penalties for the unlawful import, sale or delivery of beer and wine. Personal consumption as well as shipping carriers were allowed exemption from these penalties under amendments adopted, bringing that language in from current law.

**House** members also took up **House Bills 4558** and **4559**, sponsored by **Representatives Jeremy Moss** (D-Southfield) and **Tom Barrett** (R-Pottersville) respectively. The bills call for the codification of

current departmental rules regarding advertising for temporary bin displays at retail stores, as well as the increase of the current rule from 15 to 25 cases. The legislation also calls for the allowance of licensed wholesalers or manufacturers to provide samples of beer or wine to employees (given he or she is 21 years of age) on the licensed premises of the wholesaler.

*Senate Committee* members also discussed multiple bills pertaining to the issue, reporting both *Senate Bills 372* and *356* from committee. *Senate Bill 372*, as sponsored by *Senator Goeff Hansen* (R-Hart) calls for the elimination of the 2009 law that requires a numbered sticker to be issued at the time of the purchase of a keg, also known as the “keg tag”. Commenting on his legislation, *Mr. Hansen* noted, “The keg tag is an unnecessary regulation. It’s not being utilized for its intended purpose.” Originally, the 2009 law was implemented to decreased underage drinking and alcohol-related fatalities in the state.

The other bill taken up by *Committee* members was reported unanimously, with *Senate Bill 356* calling for the creation and implementation of an industry-based standard training program to obtain a license. The bill, as sponsored by *Senator Joe Hune* (R-Hamburg), also calls for certain individuals (specifically truck drivers and merchandizers) to be required to have a liquor license if involved in the sale of alcohol.

## **ODDS & ENDS**

- *First Lady Sue Snyder* announced late last week the formation of a workgroup by the *Michigan Domestic and Sexual Violence Prevention and Treatment Board* aimed at aiding sexual assault survivors
- The *Michigan Department of Talent and Economic Development* announced *Josh Burgett* as the new head of the *Michigan Land Bank*
- The *Michigan Department of Environmental Quality (DEQ)* began taking public comment on its *2018 Michigan Ambient Air Monitoring Network Review* late last week
- The *Children’s Trust Fund* announced it is accepting applications for grants for the *2017-2018 Fiscal Year*, applications must be submitted by 3 p.m. on June 19
- Under *House Bills 4604* and *4605* as introduced by *Representative Steve Marino* (R-Harrison Twp), cash contributions to a political candidate’s campaign committee under \$20 would not be permitted
- *James Barrett*, former *CEO* and *President* of the *Michigan Chamber of Commerce*, has joined the *Board of Directors* of the *Mackinac Center*
- *Representative Tim Kelly* (R-Saginaw Twp) announced he will leave his *House* seat (pending background checks) to become a deputy in the *U.S. Department of Education*
- The *Michigan State Board of Canvassers* approved two petitions: *Protecting Michigan Taxpayers* (prevailing wage repeal) and the *Coalition to Regulate Marijuana Like Alcohol* (legalize possession, use and cultivation of small amounts of marijuana for those at least 21 years of age)
- According to officials with the *Michigan Health Endowment Fund*, approximately 30,000 more low-income elderly Michigan residents will be eligible for a state subsidy for *Medigap* insurance in 2017
- Roughly 500 people attended the funeral of the late *Representative John Kivela* (D-Marquette) this past weekend, including multiple state legislators from both parties and chambers
- *Governor Rick Snyder* ordered all Michigan and *U.S.* flags to be flown at half-staff on Tuesday within the *Capitol Complex* and on all state buildings in honor of *Jonathan Ginka*, a *Norton Shores Police Officer* who passed away in a car accident last week

- **DTE Energy** announced over the next 35 years it plans to reduce its carbon emissions in the state by 80 percent
- According to a report from the national **Brennan Center for Justice, Michigan** is one of three states whose redistricting system has produced the most partisan results
- The **Mackinac Bridge Authority** announced the bridge will be closed to all but official vehicles and buses transporting walkers during its annual **Labor Day** bridge walk
- **Senate** members passed **Senate Bill 98** early this week, with the bill calling for the creation of a promise zone in **Flint** to provide grants to students graduating from **Flint** schools for at least two years of paid higher education
- Under **Senate Bill 266**, as reported unanimously out of the **Senate Finance Committee**, an exemption would be created for certain public safety retirees who don't receive **Social Security** that were born after 1952 and retired when the elimination of the pension deduction went into effect (January 1, 2013)
- A report from the **Center on Budget and Policy Priorities** found that roughly 113,800 rural Michigan residents have healthcare coverage through the state's **Healthy Michigan** program
- **House Bill 4412** was reported out of the **House Tax Policy Committee** on a 12-1 vote, with the bill calling for changes to be made to the state's **Tax Tribunal** by increasing pay for the judges, require better training and update procedures
- **House Joint Resolution C (HJR C)** unanimously passed the **House** this week, extending the **Constitution's** prohibition against unreasonable search and seizures of electronic data and communications by the government
- According to the **Michigan Department of Technology, Management and Budget**, the state's seasonally adjusted unemployment rate fell to 4.7 percent in April, a 0.3 percent decrease from March
- The **Michigan Department of Environmental Quality (DEQ)** announced it has issued \$500,000 in grants to promote and improve opportunities for recycling in the state
- **Senator Mike Kowall** (R-White Lake) has formed a committee that will allow him to spend and raise money as a potential candidate for **Secretary of State**
- Former senator **Roger Kahn** noted in an interview late this week he is considering running for **Representative Tim Kelly's** (R-Saginaw Twp) seat once the Representative leaves for a position with the **U.S. Department of Education**
- **Senate Bills 103-106** passed the **Senate** this week, with the bills defining truancy as 10 or more unexcused absences; chronic absenteeism as missing more than 10 percent of the school year (excused or otherwise); and a student to be deemed absent for missing more than 10 percent of a school day
- **Governor Rick Snyder** announced a special election will be held on November 7 of this year to fill the late **Representative John Kivela's** (D-Marquette) vacancy
- **House** members passed **House Bill 4305** on a 106-1 vote, with the bill calling for changes and updates to be made to the **Michigan Invests Locally Exemption (MILE)** law; the expansion of "crowdfunding" allowing for small, local investors to put money into local businesses

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